COMMONWEALTH OF VIRGINIA
Department of Environmental Quality
Valley Regional Office

DRAFT

STATEMENT OF LEGAL AND FACTUAL BASIS
Significant Permit Modification

O'Sullivan Films, Inc.
Winchester, Virginia
Permit No. VRO80333
Effective Date: July 1, 2006
Expiration Date: June 30, 2011

As required by 40 CFR Part 70 and 9 VAC 5 Chapter 80, O'Sullivan Films, Inc. has applied for a significant permit modification to the Title V Operating Permit for its Winchester engineered film calendering, coating, and printing facility. The Department has reviewed the application and has prepared a draft modified Title V Operating Permit.

Engineer/Permit Contact:_____ Date: DRAFT
Janardan R Pandey
(540) 574-7817

Air Permit Manager:_____ Date: DRAFT
Sharon G. Foley, P.E.

Deputy Regional Director:_____ Date: DRAFT
Larry M. Simmons, P.E.

REQUESTED MODIFICATION

O'Sullivan Films, Inc. (O'Sullivan) operates a polyvinyl chloride calendering, coating, laminating, and printing facility at 1944 Valley Avenue in Winchester. The plant produces flexible sheet vinyl plastics that are used for automotive, medical, industrial, and recreational purposes. Products are painted, laminated, or printed according to customer requirements.

The facility's paint lines and laminators are covered in a new source review (NSR) permit dated April 21, 2005 as amended March 28, 2006. The paint lines and laminators are subject to 40 CFR 63 Subpart JJJJ (National Emission Standards for Paper and Other Web Coating). O'Sullivan also operates three calender lines (Line Nos. 1, 2 and 3) and a rotogravure printing press. Calender Line 1 and the rotogravure printing press were installed before 1972 and have not been evaluated for new source review permitting. The rotogravure press is subject to 40 CFR 63 Subpart KK (National Emissions Standards for Hazardous Air Pollutants from the Printing and Publishing Industry). Calender Line 2 was modified in December 2004 and operates under a minor NSR permit dated December 22, 2004 as amended March 28, 2006. Calender Line 3 was exempted from minor new source permitting in December 1988. O'Sullivan has a facility-wide Title V operating permit dated July 1, 2006.

The Valley Regional Office of the Department of Environmental Quality (DEQ) received a request from O'Sullivan Films, Inc. to modify its minor NSR permit (dated December 22, 2004 as amended March 28, 2006) for Calender 2 (CAL2) by increasing allowable raw material throughput and emissions to reflect revised emissions factors resulting from stack testing. O'Sullivan also submitted an air permit application to modify its minor NSR permit dated April 21, 2005 as amended March 28, 2006 to revise the regenerative thermal oxidizers (RTOs) minimum combustion zone temperatures as a result of the performance testing conducted for RTOs. Concurrent with the applications for minor NSR permits, the facility also submitted an application to modify its Title V permit to incorporate the changes in the minor NSR permits. The minor NSR permits and TV permit are being processed simultaneously. The changes to Title V permit to incorporate the modified minor NSR permits are considered a significant modification to the permit, as defined in 9 VAC 5-80-230.

Also, a State Operating Permit (SOP) is being processed concurrently with the minor NSR permits to limit potential Bis(2-ethylhexyl)phthalate (DEHP) from the facility. This SOP contains conditions derived from Virginia's Toxics Rule (9 VAC 5 Chapter 60, Article5). The requirements of this SOP will be included in the state-only applicability section of the modified Title V permit.

REASON FOR MODIFICATION

In 2005, O'Sullivan conducted stack testing to show compliance with the CAL2 VOC and PM-10 emission limits and the control efficiency requirement for its CAL2 centrifugal stack ("stack-in-stack" or SIS) in its 12/22/04 permit. The testing showed that both VOC and PM-10 emissions were higher than the hourly allowable levels and that the SIS unit did not achieve the

required capture level. O'Sullivan entered a Consent Order (CO) dated January 10, 2006 that included steps to correct CAL2's noncompliance. The CO included a requirement to retest CAL2 and to use test results to develop emission factors for VOC and PM-10. The CO further required that the emission factors be used to derive corrected emission limits for both pollutants. O'Sullivan conducted the testing required by the CO in April 2006. The CO required that O'Sullivan submit an application for modification of its 12/22/04 minor NSR permit within 45 days of test completion. It was in accordance with this requirement that O'Sullivan submitted the CAL2 modification application for the existing minor NSR and TV permits. The application seeks the following:

- increase in allowable raw material throughput to CAL2 (from 12,000 tons per year (tpy) to 24,000 tpy)
- increase hourly and annual emission limits for VOC and PM-10
- remove designation of SIS unit as a control device

The following changes have been made to the existing minor NSR dated December 22, 2004 as amended March 28, 2006. Please note the condition numbers refer to the existing minor NSR permit.

Condition 9:	The allowable raw material throughput to CAL2 is increased from 12,000 tpy to 24,000 tpy.
Conditions 10, 11 and 12:	The emission limits are revised to reflect the new emission factors (based on the stack testing) and the increased throughput. The allowable raw material throughput to CAL2 is increased from 12,000 tpy to 24,000 tpy.
Condition 15:	This condition is revised to reflect removal of designation of the SIS unit as a control device.
Condition 19:	This condition (Visible Emission Evaluation for continuous compliance determination) is revised so that this condition matches with the visible emission evaluation for other emission unit.

The following conditions from the existing minor NSR dated December 22, 2004 as amended March 28, 2006 are deleted:

Conditions 3 and 6:	These conditions are deleted as the SIS unit is no longer designated as a control device.
Conditions 16, 17 and 22:	These conditions are deleted as these requirements are already satisfied.

Condition 23:	This condition is deleted as Calender Line No. 2 has already been modified. This permit action reflects increase in throughput only and no physical change in emission units are authorized. Hence, the permit invalid condition for this permit action is not included.

The facility's minor NSR permit dated April 21, 2005 as amended March 28, 2006 was also amended to revise the RTOs minimum combustion zone temperatures. The performance testing conducted on May 22-25, 2006, indicated that the minimum combustion zone temperatures needed to achieve the required destruction efficiencies for RTO #1 and RTO #2 are 1,428^{0}F and 1,441^{0}F, respectively. The minimum combustion zone temperature for RTO #1 was changed from 1,475^{0}F to 1,428^{0}F and for RTO #2, the temperature was changed from 1,550^{0}F to 1,441^{0}F. Conditions 11, 12, 27.n, 27.p, 28.a and 28.b of the existing permit (minor NSR permit dated April 21, 2005 as amended March 28, 2006) have been revised to reflect the new temperatures .

The existing Title V permit should be modified to incorporate the above described changes in the minor NSR permits.

As discussed earlier, the modified Title V permit also includes requirements from the SOP being processed concurrently with the minor NSR permit to limit potential Bis(2-ethylhexyl)phthalate (DEHP) from the facility. The SOP requirements have been included in the state-only applicability section of the Title V permit

As required by the existing TV permit, the facility had conducted initial capture efficiency testing and performance testing for regenerative thermal oxidizers (RTOs). Some of the requirements including Compliance Assurance Monitoring (CAM) plans have been changed as a result of the performance testing. O'Sullivan has requested that these changes be included in the proposed modified permit. Also, the facility has requested to correct the error in the equipment description list in Title V permit. The changes to the existing Title V are described under the section titled "Changes to Title V Operating Permit" below.

APPLICABILITY OF 9 VAC 5-80-230

According to 9 VAC 5-80-230, significant modification procedures must be used for those permit modifications that do not qualify as minor permit modifications under 9 VAC 5-80-210 or as administrative amendments under 9 VAC 5-80-200. O'Sullivan's proposal does not meet the specifications for an administrative amendment or a minor permit modification. The Regulations further list criteria, any of which, if met, require use of significant modification procedures. The changes proposed by O'Sullivan meet the following criterion, stated in 9 VAC 5-80-230.A.2:

> *Significant modification procedures shall be used for those permit modifications that require or change a case-by-case determination of an emission limitation or other standard, ...*

This is because O'Sullivan's Title V permit modification requires the establishment of emission limitations and standards through the incorporation of the new applicable requirements in the minor NSR permit dated XX/XX/XX and the minor NSR permit dated April 21, 2005 as amended March 28, 2006 and XX/XX/XX. Since the changes proposed by O'Sullivan meet at least one criterion listed in 9 VAC 5-80-230 and do not qualify as an administrative amendment or minor permit modification, the changes must be processed as a significant permit modification.

CHANGES TO TITLE V OPERATING PERMIT

The changes made to the Title V permit under O'Sullivan's proposal are shown below and include the requirements from the minor NSR permit dated XX/XX/XX, minor NSR permit dated April 21, 2005 as amended March 28, 2006 and XX/XX/XX, and SOP dated XX/XX/XX. The condition number refers to the existing Title V permit.

Section I.:	Dan Agee's name has been removed as a contact person.
Section II.:	The description "Osprey baghouse (vents indoors)" was replaced by "Bag dump filter (vents indoors)" for CALMIX2b1 and CALMIX 2b2 under "Pollution Control Device Description). Calendar 3 employs a pre-blender, a Banbury mixer and a continuous mixer. The continuous mixer is identified as CALMIX3c. The continuous mixer processes vinyl resin after dry materials have been added to the pre-blender. Hence, the continuous mixer is not exhausted to a fabric filter system. It is exhausted to the stack with Calendar 3 calendering operations. The reference to the osprey baghouse for continuous mixer was deleted under "Pollution Control Device Description".
Conditions IV.A.7 and 8:	The minimum combustion temperatures of the RTOs have been revised based on the performance testing.
Condition IV.A.13:	The Quality Improvement Plan (QIP) requirement language is updated to correspond with the current boilerplate.
Condition IV.A.14:	The definition of excursion is specified based on the initial capture efficiency testing. Also, the QIP requirement language is updated to correspond with the current boilerplate.

Condition IV.E.2:	The average combustion temperatures of the RTOs have been revised based on the performance testing.
Condition V.A.8:	The definition of excursion is specified based on the initial capture efficiency testing.
Condition VII.A.10:	The throughput of raw materials processed by CAL2 has been increased from 12,000 tpy to 24,000 tpy.
Conditions VII.A.11 and 12:	The emission limits are revised to reflect the increased throughput.
Condition VII.A.13:	The emission limits are revised to reflect the new emission factors (based on the stack testing) and the increased throughput.
Condition VII.B.1:	This condition is revised based on the modified minor NSR permit dated XX/XX/XX.
Condition VII.E:	This condition is revised based on the modified minor NSR permit dated XX/XX/XX.
Section IX.:	The designations of the storage tanks are revised to correct the typographical error in the existing TV permit. There are no changes to limitations, monitoring and recordkeeping requirements.
Attachments A and B:	The CAM plans have been revised based on the performance testing. The minimum combustion temperatures of the RTOs have been revised based on the performance testing. In Attachment B, the definition of excursion is specified based on the initial capture efficiency testing.

The following new conditions have been included as described below: Please note the condition number refers to the draft Title V permit.

Conditions IV.B. 6-11:	These CAM requirements are included to correspond with the current boilerplate.

The following conditions have not been included as described below: Please note the condition number refers to the existing Title V permit.

Condition III.A.10:	This condition is no longer included as the Industrial, Commercial and Institutional Boilers and Process Heaters Maximum Achievable Control Technology regulation (Boiler MACT) contained in 40 CFR 63, Subpart DDDDD has been vacated in its entirety by the U.S. Court of Appeals.
Conditions VII.A.4 and 7:	These conditions are deleted as designation of SIS unit as a control device is removed.
Conditions X.B.4.l:	This condition is deleted as this requirement is already satisfied.
Conditions X.D.3 and 4:	These conditions are deleted as these requirements are already satisfied.
Conditions X.E.2 and 3:	These conditions are deleted as these requirements are already satisfied.

Section XII (Compliance Plan) is not included as the facility has already satisfied the requirements contained in the Plan. The 'Testing" requirements in the modified permit (Sections III.C., IV.D., V.D., VI.D., VII.D. and VIII.D.) are revised to correspond with the current boilerplate. Several conditions in Section X (A.2.a, B.4.a and b, B.6.a, B.7, B.12, C.10 and D.3) have been revised as the performance testing referred in these conditions has been already conducted. The requirements of SOP dated XX/XX/XX have been included in the state-only applicability section of the Title V permit. Additionally, the date of the minor NSR permit for the Calendar Line No. 2 has been updated in tables and citations to include the new date of XX/XX/XX. The date of the minor NSR permit for the paint lines and laminators has been updated in tables and citations to include the new date of April 21, 2005 as amended March 28, 2006 and XX/XX/XX.

PUBLIC PARTICIPATION

The public participation requirements of 9 VAC 5-80-270 apply to significant permit modifications. A public notice regarding the draft permit was placed in the Winchester Star, Winchester, Virginia, on February 15, 2008. EPA was sent a copy of the draft permit and notified of the public notice on February 15, 2008. West Virginia, Maryland and Pennsylvania, the affected states, was sent a copy of the public notice in e-mail dated February 15, 2008. All persons on the Title V mailing list were also sent a copy of the public notice via email dated February 15, 2008. Public comments were accepted from February 16, 2008 to March 16, 2008.

A public hearing has been scheduled on May 5, 2008. Public comments will be accepted from April 5, 2008 to May 5 2008.

ATTACHMENTS

Attachment A – Minor New Source Review Permit dated XX/XX/XX
Attachment B – Minor New Source Review Permit dated April 21, 2005 as amended March 28, 2006 and XX/XX/XX.
Attachment C – State Operating Permit dated XX/XX/XX

ATTACHEMENT A

Minor New Source Review Permit dated XX/XX/XX

STATIONARY SOURCE PERMIT TO MODIFY AND OPERATE

This permit supersedes your permit dated December 22, 2004, amended March 28, 2006.

In compliance with the Federal Clean Air Act and the Commonwealth of Virginia Regulations for the Control and Abatement of Air Pollution,

O'Sullivan Films, Inc.
1944 Valley Avenue
Winchester, Virginia 22601
Registration No.: 80333
Plant ID No.: 51-840-0060

is authorized to modify and operate

Calender Line No. 2

located at

1944 Valley Avenue
Winchester, Virginia

in accordance with the Conditions of this permit.

Approved on: DRAFT

Deputy Regional Director, Valley Region

Permit consists of 8 pages.
Permit Conditions 1 to 23.
Source Testing Report Format.

INTRODUCTION

. This permit approval is based on the permit applications dated May 5, 2004, May 18, 2006, July 13, 2006, August 21, 2006, October 25, 2006, and July 19, 2007 including supplemental information dated July 1, 2004, August 13, 2004, August 26, 2004, August 30, 2004, August 11, 2006, October 5, 2006, November 13, 2006, February 1, 2007, May 7, 2007,August 16, 2007 and January 15, 2008, and including amendment information dated March 2, 2006. Any changes in the permit application specifications or any existing facilities which alter the impact of the facility on air quality may require a permit. Failure to obtain such a permit prior to construction may result in enforcement action.

Words or terms used in this permit shall have meanings as provided in 9 VAC 5-10-10 of the State Air Pollution Control Board Regulations for the Control and Abatement of Air Pollution. The regulatory reference or authority for each condition is listed in parentheses () after each condition.

Annual requirements to fulfill legal obligations to maintain current stationary source emissions data will necessitate a prompt response by the permittee to requests by the DEQ or the Board for information to include, as appropriate: process and production data; changes in control equipment; and operating schedules. Such requests for information from the DEQ will either be in writing or by personal contact.

The availability of information submitted to the DEQ or the Board will be governed by applicable provisions of the Freedom of Information Act, §§ 2.2-3700 through 2.2-3714 of the Code of Virginia, § 10.1-1314 (addressing information provided to the Board) of the Code of Virginia, and 9 VAC 5-170-60 of the State Air Pollution Control Board Regulations. Information provided to federal officials is subject to appropriate federal law and regulations governing confidentiality of such information.

PROCESS REQUIREMENTS

1. **Equipment List** - Equipment to be modified and operated at this facility consists of:

   - Calender Line No. 2

   Equipment included in the Calender Line No. 2 consists of:

   - two pre-blenders each with a capacity of 1.76 tons/hr (Calmix 2b1 and Calmix 2b2)
   - one Banbury mixer with a capacity of 3.51 tons/hr (Calmix 2a)
   - one Nippon Roll Calender with a maximum rated capacity of 3.51 tons/hr (Cal 2)

   (9 VAC 5-80-1180 D3)

2. **Emission Controls: Pre-blenders (Calmix 2b1 and Calmix 2b2)** – Particulate emissions from pre-blenders (Calmix 2b1 and Calmix 2b2) shall be controlled by fabric filters. Each fabric filter shall be provided with adequate access for inspection.
(9 VAC 5-80-1180)

3. **Emission Controls: Banbury Mixer (Calmix 2a)** – Particulate emissions from the Banbury mixer (Calmix 2a) shall be controlled by a fabric filter. The fabric filter shall be provided with adequate access for inspection and shall be in operation when the Banbury mixer (Calmix 2a) is operating.
(9 VAC 5-80-1180)

4. **Fabric Filters** – Each fabric filter serving the pre-blenders (Calmix 2b1 and Calmix 2b2) and Banbury mixer (Calmix 2a) shall be installed, maintained, calibrated and operated in accordance with approved procedures which shall include, as a minimum, the manufacturer's written requirements or recommendations.
(9 VAC 5-80-1180)

5. **Emissions Testing -** The permitted facility shall be constructed so as to allow for emissions testing and monitoring upon reasonable notice at any time, using appropriate methods. This includes constructing the facility such that volumetric flow rates and pollutant emission rates can be accurately determined by applicable test methods and providing stack or duct that is free from cyclonic flow. Test ports shall be provided when requested at the appropriate locations.
(9 VAC 5-50-30 F and 9 VAC 5-80-1180)

OPERATING/EMISSION LIMITATIONS

6. **Throughput: Calender Line No. 2** – The throughput of raw materials processed by Calender Line No. 2 shall not exceed 24,000 tons per year, calculated monthly as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months.
(9 VAC 5-80-1180)

7. **Emission Limits: Preblenders (Calmix 2b1 and Calmix 2b2)** - Emissions from the operation of the two pre-blenders (Calmix 2b1 and Calmix 2b2) shall not exceed the limits specified below:

PM	0.38	lbs/hr	1.3	tons/yr
PM-10	0.38	lbs/hr	1.3	tons/yr

Annual emissions shall be calculated monthly as the sum of each consecutive 12-month period. These emissions are derived from the estimated overall emission contribution from operating limits. Exceedance of the operating limits shall be considered credible evidence of

the exceedance of emission limits. Compliance with these emission limits may be determined as stated in Conditions 2 and 6.
(9 VAC 5-80-1180)

8. **Emission Limits: Banbury Mixer (Calmix 2a)** - Emissions from the operation of the Banbury mixer (Calmix 2a) shall not exceed the limits specified below:

PM	0.56	lbs/hr	1.9	tons/yr
PM-10	0.56	lbs/hr	1.9	tons/yr

Annual emissions shall be calculated monthly as the sum of each consecutive 12-month period. These emissions are derived from the estimated overall emission contribution from operating limits. Exceedance of the operating limits shall be considered credible evidence of the exceedance of emission limits. Compliance with these emission limits may be determined as stated in Conditions 3 and 6.
(9 VAC 5-80-1180)

9. **Emission Limits: Nippon Roll Calender (Cal 2)** - Emissions from the operation of the Nippon Roll Calender (Cal 2) shall not exceed the limits specified below:

Particulate Matter	4.53	lbs/hr	15.5	tons/yr
PM-10	4.53	lbs/hr	15.5	tons/yr
VOC	8.38	lbs/hr	28.6	tons/yr

Annual emissions shall be calculated monthly as the sum of each consecutive 12-month period. These emissions are derived from the estimated overall emission contribution from operating limits. Exceedance of the operating limits shall be considered credible evidence of the exceedance of emission limits. Compliance with these emission limits may be determined as stated in Condition 6.
(9 VAC 5-80-1180)

10. **Visible Emission Limit: Calender No. 2** - Visible emissions from Calender Line No. 2 (STK-021) shall not exceed 20% opacity except during one six-minute period in any one hour in which visible emissions shall not exceed 30% opacity as determined by EPA Method 9 (reference 40 CFR Part 60, Appendix A).
(9 VAC 5-80-1180)

11. **Visible Emission Limit: Fabric Filters** - Visible emissions from each fabric filter serving the pre-blenders (Calmix 2b1 and Calmix 2b2) and Banbury mixer (Calmix 2a) shall not exceed 5% opacity as determined by EPA Method 9 (reference 40 CFR Part 60, Appendix A).
(9 VAC 5-80-1180)

RECORDS

12. **On Site Records** - The permittee shall maintain records of emission data and operating parameters as necessary to demonstrate compliance with this permit. The content and format of such records shall be arranged with the Director, Valley Regional Office. Records shall include, but are not limited to:

    a. Annual throughput of raw materials processed by Calender Line No. 2, in tons, calculated monthly as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months;

    b. Weekly visible emission stack inspections of Calender No. 2 stack (STK-021) and, if applicable, pre-blenders (Calmix 2b1 and Calmix 2b2) and Banbury mixer (Calmix 2a) including:

        1. The date, time, and name of person performing each inspection;

        2. Whether or not there were visible emissions;

        3. Results of EPA Method 9 (40 CFR 60, Appendix A) testing; and

        4. Any maintenance or repairs performed as a result of these inspections

    c. Emission factors calculated for particulate and VOC emissions to verify compliance with the emissions limitations in Conditions 7, 8 and 9.

    d. Manufacturer's requirements or recommendations for proper installation, maintenance, calibration and operation for each fabric filter as required by Condition 4.

    e. Results of all stack tests and visible emission evaluations.

    These records shall be available for inspection by the DEQ and shall be current for the most recent five years.
    (9 VAC 5-80-1180 and 9 VAC 5-50-50)

CONTINUING COMPLIANCE DETERMINATION

13. **Stack Testing** – Upon request by the DEQ, the permittee shall conduct additional stack testing from the Calender Line No. 2 stack (STK-021) to demonstrate compliance with the emission limits contained in this permit. The details of the tests shall be arranged with the Director, Valley Regional Office.
    (9 VAC 5-80-1180 and 9 VAC 5-50-30 G)

14. **Visible Emissions Evaluation** – The permittee shall perform weekly inspections of the Calender Line No. 2 stack (STK-021) to determine the presence of visible emissions. If during the inspection visible emissions are observed, an EPA Method 9 (40 CFR 60, Appendix A) visible emission evaluation (VEE) shall be conducted by a certified observer. The VEE shall be conducted for a minimum period of six (6) minutes. If any of the observations exceed the standard, the observation period shall continue until sixty (60) minutes of observation have been completed. If the sixty-minute VEE indicates a violation of the standard, timely corrective action shall be taken.
(9 VAC 5-80-1180 and 9 VAC 5-50-30 G)

15. **Visible Emissions Evaluation** – If in the future, the pre-blender(Calmix 2b1 or Calmix 2b2) stacks or Banbury mixer (Calmix 2a) stack are vented to the atmosphere, the permittee shall thereafter perform weekly inspections of each unit (Calmix 2b1, Calmix 2b2 and Calmix 2a) stack vented to the atmosphere to determine the presence of visible emissions. If during the inspection visible emissions are observed, an EPA Method 9 (40 CFR 60, Appendix A) visible emission evaluation (VEE) shall be conducted by a certified observer. The VEE shall be conducted for a minimum period of six (6) minutes. If any of the observations exceed the standard, the observation period shall continue until sixty (60) minutes of observation have been completed. If the sixty-minute VEE indicates a violation of the standard, timely corrective action shall be taken. All observations and corrective action shall be recorded.
(9 VAC 5-80-1180 and 9 VAC 5-50-30 G)

NOTIFICATIONS

16. **Notification for Facility or Control Equipment Malfunction** - The permittee shall furnish notification to the Director, Valley Regional Office, of malfunctions of the affected facility or related air pollution control equipment that may cause excess emissions for more than one hour, by facsimile transmission, telephone or telegraph. Such notification shall be made as soon as practicable but not later than four daytime business hours of discovery of the malfunction. The permittee shall provide a written statement giving all pertinent facts, including the estimated duration of the breakdown, within 14 days of its discovery. When the condition causing the failure or malfunction has been corrected and the equipment is again in operation, the permittee shall notify the Director, Valley Regional Office, in writing.
(9 VAC 5-20-180 C and 9 VAC 5-80-1180)

GENERAL CONDITIONS

17. **Permit Suspension/Revocation** - This permit may be suspended or revoked if the permittee:

    a. Knowingly makes material misstatements in the application for this permit or any amendments to it;

    b. Fails to comply with the conditions of this permit;

    c. Fails to comply with any emission standards applicable to a permitted emissions unit;

d. Causes emissions from this facility which result in violations of, or interferes with the attainment and maintenance of, any ambient air quality standard; or

e. Fails to operate this facility in conformance with any applicable control strategy, including any emission standards or emission limitations, in the State Implementation Plan in effect on the date that the application for this permit is submitted;

(9 VAC 5-80-1210 F)

18. **Right of Entry** - The permittee shall allow authorized local, state and federal representatives, upon the presentation of credentials:

a. To enter upon the permittee's premises on which the facility is located or in which any records are required to be kept under the terms and conditions of this permit;

b. To have access to and copy at reasonable times any records required to be kept under the terms and conditions of this permit or the State Air Pollution Control Board Regulations;

c. To inspect at reasonable times any facility, equipment, or process subject to the terms and conditions of this permit or the State Air Pollution Control Board Regulations; and

d. To sample or test at reasonable times.

For purposes of this condition, the time for inspection shall be deemed reasonable during regular business hours or whenever the facility is in operation. Nothing contained herein shall make an inspection time unreasonable during an emergency.
(9 VAC 5-170-130 and 9 VAC 5-80-1180)

19. **Maintenance/Operating Procedures** - At all times, including periods of start-up, shutdown, and malfunction, the permittee shall, to the extent practicable, maintain and operate -the affected source, including associated air pollution control equipment, in a manner consistent with good air pollution control practices for minimizing emissions.

The permittee shall take the following measures in order to minimize the duration and frequency of excess emissions, with respect to air pollution control equipment, monitoring devices, and process equipment which affect such emissions:

a. Develop a maintenance schedule and maintain records of all scheduled and non-scheduled maintenance;

b. Maintain an inventory of spare parts;

c. Have available written operating procedures for equipment. These procedures shall be based on the manufacturer's recommendations, at a minimum;

d. Train operators in the proper operation of all such equipment and familiarize the operators with the written operating procedures. The permittee shall maintain records of the training provided including the names of trainees, the date of training and the nature of the training.

Records of maintenance and training shall be maintained on site for a period of five years and shall be made available to DEQ personnel upon request.
(9 VAC 5-50-20 E and 9 VAC 5-80-1180 D)

20. **Record of Malfunctions** - The permittee shall maintain records of the occurrence and duration of any bypass, malfunction, shutdown or failure of the facility or its associated air pollution control equipment that results in excess emissions for more than one hour. Records shall include the date, time, duration, description (emission unit, pollutant affected, cause), corrective action, preventive measures taken and name of person generating the record.
(9 VAC 5-20-180 J and 9 VAC 5-80-1180 D)

21. **Violation of Ambient Air Quality Standard** - The permittee shall, upon request of the DEQ, reduce the level of operation or shut down a facility, as necessary to avoid violating any primary ambient air quality standard and shall not return to normal operation until such time as the ambient air quality standard will not be violated.
(9 VAC 5-20-180 I and 9 VAC 5-80-1180)

22. **Change of Ownership** - In the case of a transfer of ownership of a stationary source, the new owner shall abide by any current permit issued to the previous owner. The new owner shall notify the Director, Valley Regional Office, of the change in ownership within 30 days of the transfer.
(9 VAC 5-80-1240)

23. **Permit Copy** - The permittee shall keep a copy of this permit on the premises of the facility to which it applies.
(9 VAC 5-80-1180)

ATTACHEMENT B

Minor New Source Review Permit dated April 21, 2005 as amended March 28, 2006 and XX/XX/XX

STATIONARY SOURCE PERMIT TO MODIFY AND OPERATE

This permit replaces your permit dated April 21, 2005, as amended March 28, 2006.

In compliance with the Federal Clean Air Act and the Commonwealth of Virginia Regulations for the Control and Abatement of Air Pollution,

O'Sullivan Films, Inc.
1944 Valley Avenue
Winchester, Virginia 22601
Registration No.: 80333

is authorized to modify and operate

a performance polymer and engineered film calendering, coating, and printing facility

located at

1944 Valley Avenue
Winchester

in accordance with the Conditions of this permit.

Approved on: April 21, 2005

Amended on: March 28, 2006

Amended on: DRAFT

Deputy Regional Director, Valley Region

Permit consists of 12 pages.
Permit Conditions 1 to 36.

INTRODUCTION

This permit approval is based on the permit applications dated January 27, 1996, August 29, 2003, February 8, 2005, and January 10, 2008, including amendment information dated March 2, 2006, July 12, September 17, and November 25, 1996, October 13, 1997, February 25, April 3, April 9, April 14, and June 16,1998, July 9, August 30, September 15, November 3, and December 17, 1999, October 17, 2000, March 11 and May 14, 2002, and May 9, August 29, and December 9, 2003, March 18, 2004, and March 2, 2006. Any changes in the permit application specifications or any existing facilities that alter the impact of the facility on air quality may require a permit. Failure to obtain such a permit prior to construction may result in enforcement action.

Words or terms used in this permit shall have meanings as provided in 9 VAC 5-10-10 of the State Air Pollution Control Board Regulations for the Control and Abatement of Air Pollution. The regulatory reference or authority for each condition is listed in parentheses () after each condition.

Annual requirements to fulfill legal obligations to maintain current stationary source emissions data will necessitate a prompt response by the permittee to requests by the DEQ or the Board for information to include, as appropriate: process and production data; changes in control equipment; and operating schedules. Such requests for information from the DEQ will either be in writing or by personal contact.

The availability of information submitted to the DEQ or the Board will be governed by applicable provisions of the Freedom of Information Act, §§ 2.2-3700 through 2.2-3714 of the Code of Virginia, § 10.1-1314 (addressing information provided to the Board) of the Code of Virginia, and 9 VAC 5-170-60 of the State Air Pollution Control Board Regulations. Information provided to federal officials is subject to appropriate federal law and regulations governing confidentiality of such information.

PROCESS REQUIREMENTS

1. **Equipment List** - Equipment to be modified and operated at this facility consists of:

   - Laminator 1 (LAM1)

   Previously installed equipment at this facility prior to the date of this permit consists of:

   - American Hydrotherm 1966 Hot Oil Generator (PH1) rated at 16.8 MMBtu/hr
   - Paint Lines 2, 3, and 4 (PL2, PL3, and PL4)
   - Laminator 3 (LAM3)
   - Laminator 4 (LAM4)

- a Paint Kitchen (PK)
- a Paint Laboratory (PLAB)

(9 VAC 5-80-1180 D 3)

2. **Emission Controls: Laminator 1** – Volatile Organic Compound (VOC) emissions from Laminator 1 (LAM1) shall be controlled by use of waterborne coatings only, as defined in EPA Method 24 (40 CFR 60, Appendix A).
(9 VAC 5-80-1180)

3. **Emission Controls: Laminator 3** – VOC emissions from Laminator 3 (LAM3) shall be controlled by a 95% efficient capture system and a regenerative thermal oxidizer (RTO). The regenerative thermal oxidizer shall be provided with adequate access for inspection and shall be in operation when the Laminator 3 (LAM3) is operating.
(9 VAC 5-80-1180 and 9 VAC 5-50-260)

4. **Emission Controls: Paint Lines 2 & 3** – VOC emissions from Paint Line 2 and Paint Line 3 (PL2 and PL3) shall be controlled by an 80% efficient capture system and a RTO. The RTO shall be provided with adequate access for inspection and shall be in operation when Paint Line 2 or Paint Line 3 (PL2 and PL3) is operating.
(9 VAC 5-80-1180 and 9 VAC 5-50-260)

5. **Emission Controls: Paint Line 4** – VOC emissions from Paint Line 4 (PL4) shall be controlled by a permanent total enclosure and a RTO. The RTO shall be provided with adequate access for inspection and shall be in operation when Paint Line 4 (PL4) is operating.
(9 VAC 5-80-1180 and 9 VAC 5-50-260)

6. **Emission Controls: Paint Kitchen** – VOC emissions from the Paint Kitchen (PK) shall be controlled by a permanent total enclosure and a RTO having a control efficiency of at least 95.0%. The RTO shall be provided with adequate access for inspection and shall be in operation when the Paint Kitchen (PK) is operating.
(9 VAC 5-80-1180 and 9 VAC 5-50-260)

7. **Control Efficiency: RTO 1 -** The RTO serving Paint Lines 2 and 3 (PL2 – PL3) and Laminator 3 (LAM3) shall maintain a control efficiency for VOC of no less than 95.0% on a mass basis.
(9 VAC 5-80-1180 and 9 VAC 5-50-260)

8. **Control Efficiency: RTO 2 -** The RTO serving Paint Line 4 (PL4) shall maintain a control efficiency for VOC of no less than 98.6% on a mass basis.
(9 VAC 5-80-1180 and 9 VAC 5-50-260)

9. **Total Enclosure (Pollution Prevention (P2))** - The total enclosure shall meet the following criteria:

   a. Any natural draft openings shall be at least 4 equivalent opening diameters from each VOC emitting point;

   b. The total area of all natural draft openings shall not exceed 5 percent of the surface area of the enclosure's four walls, floor and ceiling;

   c. The average facial velocity of air through the natural draft openings shall be at least 200 feet per minute and the direction of flow shall be into the enclosure;

   d. All access doors and windows shall be closed during routine operation of the paint lines;

   e. All of the exhaust gases from the enclosure shall be directed to the thermal incinerator.

   (9 VAC 5-50-260 and 9 VAC 5-80-1180)

10. **Control Parameters: RTO 1** - The RTO controlling Paint Lines 2 and 3 (PL2 – PL3) and Laminator 3 (LAM3) shall maintain a minimum combustion zone temperature of 1428° F and a residence time of at least 0.5 seconds. The minimum combustion zone temperature shall be calculated as a three-hour average. Details concerning the method of calculating the three-hour average combustion zone temperature shall be arranged with the Director, Valley Regional Office.
    (9 VAC 5-80-1180 and 9 VAC 5-50-260)

11. **Control Parameters: RTO 2** - The RTO controlling Paint Line 4 (PL4) shall maintain a minimum combustion zone temperature of 1441° F and a residence time of at least 1.0 second. The minimum combustion zone temperature shall be calculated as a three-hour average. Details concerning the method of calculating the three-hour average combustion zone temperature shall be arranged with the Director, Valley Regional Office.
    (9 VAC 5-80-1180 and 9 VAC 5-50-260)

12. **Monitoring Devices: RTOs** – Each RTO shall be equipped with devices to continuously measure and record oxidizer chamber temperature. Each monitoring device shall be installed, maintained, calibrated and operated in accordance with approved procedures which shall include, as a minimum, the manufacturer's written requirements or recommendations. Each monitoring device shall be provided with adequate access for inspection and shall be in operation when the RTO is operating.
    (9 VAC 5-80-1180 and 9 VAC 5-50-260)

13. **Test/Monitoring Ports** - The permitted facility shall be constructed so as to allow for emissions testing and monitoring upon reasonable notice at any time, using appropriate methods. This includes constructing the facility such that volumetric flow rates and pollutant emission rates can be accurately determined by applicable test methods and providing stack

or duct that is free from cyclonic flow. Test ports shall be provided when requested at the appropriate locations.
(9 VAC 5-50-30 F and 9 VAC 5-80-1180)

14. **Emissions Calculation** - Annual VOC emissions shall be calculated by mass balance as specified by the formula below:

$$V_{EM} = V_{TPUT} - V_{REC} - V_{RET}$$

V_{EM} = Annual emissions of VOCs in tons.

V_{TPUT} = Annual throughput of VOCs in tons.

V_{REC} = Annual amount of VOCs recovered or disposed of off-site in tons.

V_{RET} = Annual amount of VOCs retained in the products in tons.

Annual VOC emissions shall be calculated monthly as the sum of the previous consecutive 12-month period. The details of the V_{REC} and the V_{RET} calculations shall be arranged with the Director, Valley Regional Office.
(9 VAC 5-80-1180)

15. **Hazardous Air Pollutants (P2)** - The permittee shall regularly investigate the technical feasibility of using coatings having lower volatile or hazardous air pollutant content on Laminators 3 and 4. The results of such feasibility studies shall be reported semi-annually as required by Condition 28. Details of the studies shall be arranged with the Director, Valley Regional Office.
(9 VAC 5-80-1180 and 9 VAC 5-50-260)

OPERATING/EMISSION LIMITATIONS

16. **Operating Hours: Paint Line 4 –** Paint Line 4 (PL4) shall operate no more than 7,140 hours per year, calculated monthly as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months.
(9 VAC 5-80-1180)

17. **Fuel: Hot Oil Generator (P2)** - The approved fuels for the American Hydrotherm 1966 Hot Oil Generator (PH1) are natural gas and distillate oil. A change in the fuel may require a permit to modify and operate.
(9 VAC 5-80-1180)

18. **Fuel: RTOs (P2)** - The approved fuels for combustion in the RTOs are natural gas and distillate oil. A change in the fuel may require a permit to modify and operate. (9 VAC 5-80-1180)

19. **Fuel Specifications** - The fuel shall meet the specifications below:

    DISTILLATE OIL which meets the ASTM D396 specifications for numbers 1 or 2 fuel oil:
    Maximum sulfur content per shipment: 0.5%

    (9 VAC 5-80-1180)

20. **Fuel Certification** - The permittee shall obtain a certification from the fuel supplier with each shipment of distillate oil. Each fuel supplier certification shall include the following:

    a. The name of the fuel supplier;

    b. The date on which the distillate oil was received;

    c. The volume of distillate oil delivered in the shipment;

    d. A statement that the distillate oil complies with the American Society for Testing and Materials specifications for numbers 1 or 2 fuel oil; and

    e. The sulfur content of the distillate oil.

    (9 VAC 5-80-1180)

21. **Throughput: Laminator 1 –** The throughput of VOC to Laminator 1 (LAM1) shall not exceed 9.8 tons per year, calculated monthly as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months.
    (9 VAC 5-80-1180)

22. **Emission Limits: Hot Oil Generator** - Emissions from the operation of the American Hydrotherm 1966 Hot Oil Generator (PH1) shall not exceed the limits specified below:

PM-10	0.13	lbs/hr	0.56	tons/yr
Sulfur Dioxide	8.74	lbs/hr	38.29	tons/yr
Carbon Monoxide	1.41	lbs/hr	6.18	tons/yr
Nitrogen Dioxide	2.43	lbs/hr	10.66	tons/yr

Annual emissions shall be calculated monthly as the sum of each consecutive 12-month period. These emissions are derived from the estimated overall emission contribution from operating limits. Exceedance of the operating limits shall be considered credible evidence of the exceedance of emission limits. Compliance with these emission limits may be determined as stated in Condition 26.
(9 VAC 5-80-1180 and 9 VAC 5-50-260)

23. **Emission Limits** - VOC emissions shall not exceed the limits specified below:

Paint Lines 2, & 3 and Paint Kitchen	998	tpy
Paint Line 4	39	tpy
Paint Laboratory	30	tpy
Laminator 1	9.8	tpy
Laminator 3	100	tpy
Laminator 4	100	tpy

Compliance shall be demonstrated by mass balance as specified in Condition 14, performed monthly for each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months.
(9 VAC 5-80-1180 and 9 VAC 5-50-260)

24. **Visible Emission Limit: Hot Oil Generator** - Visible emissions from the American Hydrotherm 1966 Hot Oil Generator (PH1) shall not exceed 10% opacity except during one six-minute period in any one hour in which visible emissions shall not exceed 20% opacity as determined by EPA Method 9 (reference 40 CFR Part 60, Appendix A).
(9 VAC 5-80-1180 and 9 VAC 5-50-260)

25. **Visible Emission Limit: RTOs** - Visible emissions from each RTO shall not exceed 5% opacity as determined by EPA Method 9 (reference 40 CFR Part 60, Appendix A).
(9 VAC 5-80-1180 and 9 VAC 5-50-260)

RECORDS

26. **On Site Records** - The permittee shall maintain records of emission data and operating parameters as necessary to demonstrate compliance with this permit. The content and format of such records shall be arranged with the Director, Valley Regional Office. Records shall include, but are not limited to:

a. Monthly and annual hours of operation for Paint Line 4. Annual operating hours shall be calculated monthly as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months;

b. Monthly and annual throughput of natural gas and distillate oil. Annual throughput shall be calculated monthly as the sum of each consecutive 12-month period;

c. Monthly emissions calculations for emissions from the American Hydrotherm Hot Oil Generator (PH1) stack using calculation methods approved by the Director, Valley Regional Office, to verify compliance with the ton/yr emissions limitations in Condition 22. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months;

d. All fuel supplier certifications;

e. VOC content (pounds/gallon) of each coating, paint, and adhesive used;

f. Monthly and annual use (in gallons) of each paint for Paint Lines 2, 3, and 4 (PL2 – PL4). Annual use shall be calculated as the sum of each consecutive 12 month period;

g. Monthly and annual use (in gallons) of each paint for the Paint Laboratory (PLAB). Annual use shall be calculated as the sum of each consecutive 12 month period;

h. Monthly and annual use (in gallons) of each adhesive and coating for Laminators 1, 3 and 4 (LAM1, LAM3 and LAM4). Annual use shall be calculated as the sum of each consecutive 12 month period;

i. Monthly and annual throughput (in tons) of VOC to Laminator 1 (LAM1). Annual throughput shall be calculated as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months;

j. Monthly and annual VOC (in tons) retained in the recovered coatings and products for Paint Lines 2, 3, and 4 (PL2 – PL4). Annual mass of compounds retained shall be calculated as the sum of each consecutive 12 month period;

k. Monthly and annual VOC (in tons) retained in hazardous waste and laminator products for Laminators 1, 3 and 4 (LAM1, LAM3 and LAM4). Annual mass of compounds retained shall be calculated as the sum of each consecutive 12 month period;

l. Monthly and annual VOC emissions (in tons) from Paint Lines 2, 3, and 4 (PL2 – PL4), the Paint Kitchen (PK), the Paint Laboratory (PLAB), and Laminators 1, 3 and 4 (LAM1,

LAM3 and LAM4). Annual emissions shall be calculated as the sum of each consecutive 12 month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months;

m. Average combustion zone temperature (during actual painting or laminating operations) of the RTO serving Paint Lines 2 and 3 (PL2 – PL3) and Laminator 3 (LAM3), calculated hourly as an average of the temperatures during the previous three hours;

n. Monthly records of any three-hour period (during actual painting or laminating operations) during which the average combustion zone temperature of the RTO serving Paint Lines 2 and 3 (PL2 – PL3) and Laminator 3 (LAM3) is below 1428°F and the total hours of RTO operation;

o. Average combustion zone temperature (during actual painting operations) of the RTO serving Paint Line 4 (PL4), calculated hourly as an average of the temperatures during the previous three hours;

p. Monthly records of any three-hour period (during actual painting operations) during which the average combustion zone temperature of the RTO serving Paint Line 4 (PL4) is below 1441°F and the total hours of RTO operation;

q. For each RTO, acquisition read outs showing the combustion zone temperature;

r. Test results verifying the 95% capture efficiency required for Laminator 3 by Condition 3.

These records shall be available for inspection by the DEQ and shall be current for the most recent five years.
(9 VAC 5-80-1180 and 9 VAC 5-50-50)

27. **Reports - RTO** - Written reports shall be submitted quarterly to the Director, Valley Regional Office, showing:

a. For the RTO serving Paint Lines 2 and 3 (PL2 – PL3) and Laminator 3 (LAM3), any three-hour period (during actual painting or laminating operations) during which the average combustion zone temperature is below 1428°F and the total hours of RTO operation;

b. For the RTO serving Paint Line 4 (PL4), any three-hour period (during actual painting operations) during which the average combustion zone temperature is below 1441°F and the total hours of RTO operation.

The submission of quarterly reports may be discontinued at any time upon written notification from the Director, Valley Regional Office.
(9 VAC 5-50-50)

28. **Reports – Pollution Prevention for Hazardous Air Pollutants** - The permittee shall submit a status report semi-annually addressing results of the feasibility studies required by Condition 15. Reports shall include, but not be limited to:

    a. A summary of the coatings evaluated during the previous six months;

    b. Results of the coating evaluation;

    c. The hazardous air pollutant (HAP) content (in lbs HAP/ lb coating used), calculated as an average of all coatings used on Laminators 3 and 4 (LAM3 and LAM4) for the previous six months.

    Details of the reporting format shall be arranged with the Director, Valley Regional Office.
    (9 VAC 5-50-50)

NOTIFICATION

29. **Notification for Facility or Control Equipment Malfunction** - The permittee shall furnish notification to the Director, Valley Regional Office, of malfunctions of the affected facility or related air pollution control equipment that may cause excess emissions for more than one hour, by facsimile transmission, telephone or telegraph. Such notification shall be made as soon as practicable but not later than four daytime business hours of discovery of the malfunction. The permittee shall provide a written statement giving all pertinent facts, including the estimated duration of the breakdown, within 14 days of its discovery. When the condition causing the failure or malfunction has been corrected and the equipment is again in operation, the permittee shall notify the Director, Valley Regional Office..
    (9 VAC 5-20-180 C and 9 VAC 5-80-1180)

GENERAL CONDITIONS

30. **Right of Entry** - The permittee shall allow authorized local, state and federal representatives, upon the presentation of credentials:

    a. To enter upon the permittee's premises on which the facility is located or in which any records are required to be kept under the terms and conditions of this permit;

    b. To have access to and copy at reasonable times any records required to be kept under the terms and conditions of this permit or the State Air Pollution Control Board Regulations;

    c. To inspect at reasonable times any facility, equipment, or process subject to the terms and conditions of this permit or the State Air Pollution Control Board Regulations; and

d. To sample or test at reasonable times.

For purposes of this condition, the time for inspection shall be deemed reasonable during regular business hours or whenever the facility is in operation. Nothing contained herein shall make an inspection time unreasonable during an emergency.
(9 VAC 5-170-130 and 9 VAC 5-80-1180)

31. **Violation of Ambient Air Quality Standard** - The permittee shall, upon request of the DEQ, reduce the level of operation or shut down a facility, as necessary to avoid violating any primary ambient air quality standard and shall not return to normal operation until such time as the ambient air quality standard will not be violated.
(9 VAC 5-20-180 I and 9 VAC 5-80-1180)

32. **Maintenance/Operating Procedures** - At all times, including periods of start-up, shutdown, and malfunction, the permittee shall, to the extent practicable, maintain and operate the affected source, including associated air pollution control equipment, in a manner consistent with good air pollution control practices for minimizing emissions.

The permittee shall take the following measures in order to minimize the duration and frequency of excess emissions, with respect to air pollution control equipment, monitoring devices, and process equipment which affect such emissions:

a. Develop a maintenance schedule and maintain records of all scheduled and non-scheduled maintenance;

b. Maintain an inventory of spare parts;

c. Have available written operating procedures for equipment. These procedures shall be based on the manufacturer's recommendations, at a minimum;

d. Train operators in the proper operation of all such equipment and familiarize the operators with the written operating procedures. The permittee shall maintain records of the training provided including the names of trainees, the date of training and the nature of the training.

Records of maintenance and training shall be maintained on site for a period of five years and shall be made available to DEQ personnel upon request.
(9 VAC 5-50-20 E and 9 VA 5-80-1180 D)

33. **Record of Malfunctions** – The permittee shall maintain records of the occurrence and duration of any bypass, malfunction, shutdown or failure of the facility or its associated air pollution control equipment that results in excess emissions for more than one hour. Records shall include the date, time, duration, description (emission unit, pollutant affected, cause), corrective action, preventive measures taken and name of person generating the record.
(9VAC 5-20-180 J and 9 VAC 5-80-1180 D)

34. **Permit Suspension/Revocation** - This permit may be suspended or revoked if the permittee:

    a. Knowingly makes material misstatements in the application for this permit or any amendments to it;

    b. Fails to comply with the conditions of this permit;
    c. Fails to comply with any emission standards applicable to a permitted emission unit;

    d. Causes emissions from this facility which result in violations of, or interferes with the attainment and maintenance of, any ambient air quality standard; or

    e. Fails to operate this facility in conformance with any applicable control strategy, including any emission standards or emission limitations, in the State Implementation Plan in effect on the date that the application for this permit is submitted.

    (9 VAC 5-80-1210 F)

35. **Change of Ownership** - In the case of a transfer of ownership of a stationary source, the new owner shall abide by any current permit issued to the previous owner. The new owner shall notify the Director, Valley Regional Office, of the change in ownership within 30 days of the transfer.
    (9 VAC 5-80-1240)

36. **Permit Copy** - The permittee shall keep a copy of this permit on the premises of the facility to which it applies.
    (9 VAC 5-80-1180)

ATTACHEMENT C

State Operating Permit dated XX/XX/XX

STATIONARY SOURCE PERMIT TO OPERATE

In compliance with the Federal Clean Air Act and the Commonwealth of Virginia Regulations for the Control and Abatement of Air Pollution,

O'Sullivan Films, Inc.
944 Valley Avenue
Winchester, Virginia 22601
Registration No.: 80333

is authorized to operate

three calenders

located at

1944 Valley Avenue
Winchester, Virginia

in accordance with the Conditions of this permit.

Approved on DRAFT

Deputy Regional Director, Valley Region

Permit consists of 5 pages.
Permit Conditions 1 to 11.

PERMIT CONDITIONS - the regulatory reference or authority for each condition is listed in parentheses ( ) after each condition.

APPLICATION

This permit approval is based on the permit application dated August 8, 2007 and supplemental information dated August 11, 2006, October 5, 2006, November 13, 2006, February 1, 2007, May 7, 2007,July 19, 2007 and August 16, 2007. Any changes in the permit application specifications or any existing facilities which alter the impact of the facility on air quality may require a permit. Failure to obtain such a permit prior to construction may result in enforcement action.

Words or terms used in this permit shall have meanings as provided in 9 VAC 5-10-10 of the State Air Pollution Control Board Regulations for the Control and Abatement of Air Pollution. The regulatory reference or authority for each condition is listed in parentheses () after each condition.

Annual requirements to fulfill legal obligations to maintain current stationary source emissions data will necessitate a prompt response by the permittee to requests by the DEQ or the Board for information to include, as appropriate: process and production data; changes in control equipment; and operating schedules. Such requests for information from the DEQ will either be in writing or by personal contact.

The availability of information submitted to the DEQ or the Board will be governed by applicable provisions of the Freedom of Information Act, §§ 2.2-3700 through 2.2-3714 of the Code of Virginia, § 10.1-1314 (addressing information provided to the Board) of the Code of Virginia, and 9 VAC 5-170-60 of the State Air Pollution Control Board Regulations. Information provided to federal officials is subject to appropriate federal law and regulations governing confidentiality of such information.

PROCESS REQUIREMENTS

1. **Equipment List** - Equipment to be operated at this facility consists of:

   - One Farrel Calender (CAL 1) with a maximum rated capacity of 3.51 tons/hr
   - One Nippon Roll Calender (CAL 2)with a maximum rated capacity of 3.51 tons/hr
   - One Kraffanlagen Heidelberg Calender (CAL 3) with a maximum rated capacity of 3.51 tons/hr

   (9 VAC 5-80-850)

OPERATING/EMISSION LIMITATIONS

2. **Emission Limits: Hazardous Air Pollutants** – Emissions from each calender (CAL1, CAL2 and CAL 3) shall not exceed the limits specified below:

Bis(2-ethylhexyl) phthalate (DEHP) (CAS 117-81-7)	4.52 lbs/hr	12.88 tons/yr

Annual emissions shall be calculated monthly as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months.
(9 VAC 5-80-850, 9 VAC 5-60-220 and 9 VAC 5-60-320)

3. **Emission Testing** – The facility shall be constructed so as to allow for emissions testing upon reasonable notice at any time, using appropriate methods. Sampling ports shall be provided when requested and safe sampling platforms and access shall be provided
(9 VAC 5-80-880 and 9 VAC 5-80-850)

RECORDS

4. **On Site Records -** The permittee shall maintain records of emission data and operating parameters as necessary to demonstrate compliance with this permit. The content and format of such records shall be arranged with the Director, Valley Region. These records shall include, but are not limited to:

   a. Hourly, monthly and annual DEHP emissions to verify compliance with the emission limitations in Condition 2. Hourly emissions shall be calculated as a monthly average (monthly emissions divided by hours of particular Calender operation for the month). Annual emissions shall be calculated monthly as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months. Emission factors used to calculate emissions shall be approved by the Director, Valley Region.

   b. Monthly and annual throughput processed by each calender (CAL1-CAL3), in tons. Annual throughput shall be calculated monthly as the sum of each consecutive 12-month period.

   c. Monthly hours of operation of each calender (CAL1-CAL3).

   d. Results of all stack tests.

   These records shall be available for inspection by the DEQ and shall be current for the most recent five years.
   (9 VAC 5-80-900 and 9 VAC 5-50-50)

GENERAL CONDITIONS

5. **Right of Entry** - The permittee shall allow authorized local, state, and federal representatives, upon the presentation of credentials:

   a. To enter upon the permittee's premises on which the facility is located or in which any records are required to be kept under the terms and conditions of this permit;

   b. To have access to and copy at reasonable times any records required to be kept under the terms and conditions of this permit or the State Air Pollution Control Board Regulations;

   c. To inspect at reasonable times any facility, equipment, or process subject to the terms and conditions of this permit or the State Air Pollution Control Board Regulations; and

   d. To sample or test at reasonable times.

   For purposes of this condition, the time for inspection shall be deemed reasonable during regular business hours or whenever the facility is in operation. Nothing contained herein shall make an inspection time unreasonable during an emergency.
   (9 VAC 5-170-130 and 9 VAC 5-80-850)

6. **Notification for Facility or Control Equipment Malfunction** - The permittee shall furnish notification to the Director, Valley Region, of malfunctions of the affected facility or related air pollution control equipment that may cause excess emissions for more than one hour, by facsimile transmission, telephone or telegraph. Such notification shall be made as soon as practicable but no later than four daytime business hours after the malfunction is discovered. The permittee shall provide a written statement giving all pertinent facts, including the estimated duration of the breakdown, within two weeks of discovery of the malfunction. When the condition causing the failure or malfunction has been corrected and the equipment is again in operation, the permittee shall notify the Director, Valley Region, in writing.
   (9 VAC 5-20-180 C and 9 VAC 5-80-850)

7. **Violation of Ambient Air Quality Standard** - The permittee shall, upon request of the DEQ, reduce the level of operation or shut down a facility, as necessary to avoid violating any primary ambient air quality standard and shall not return to normal operation until such time as the ambient air quality standard will not be violated.
   (9 VAC 5-20-180 I and 9 VAC 5-80-850)

8. **Maintenance/Operating Procedures** – At all times, including periods of start-up, shutdown, and malfunction, the permittee shall, to the extent practicable, maintain and operate the affected source, including associated air pollution control equipment, in a manner consistent with good air pollution control practices for minimizing emissions.

   The permittee shall take the following measures in order to minimize the duration and frequency of excess emissions, with respect to air pollution control equipment and process equipment which affect such emissions:

a. Develop a maintenance schedule and maintain records of all scheduled and non-scheduled maintenance.

b. Maintain an inventory of spare parts.

c. Have available written operating procedures for equipment. These procedures shall be based on the manufacturer's recommendations, at a minimum.

d. Train operators in the proper operation of all such equipment and familiarize the operators with the written operating procedures, prior to their first operation of such equipment. The permittee shall maintain records of the training provided including the names of trainees, the date of training and the nature of the training.

Records of maintenance and training shall be maintained on site for a period of five years and shall be made available to DEQ personnel upon request.
(9 VAC 5-50-20 E and 9 VAC 5-80-850)

9. **Permit Suspension/Revocation** - This permit may be suspended or revoked if the permittee:

a. Knowingly makes material misstatements in the application for this permit or any amendments to it;

b. Fails to comply with the conditions of this permit;

c. Fails to comply with any emission standards applicable to a permitted emission unit;

d. Causes emissions from this facility which result in violations of, or interferes with the attainment and maintenance of, any ambient air quality standard;

e. Fails to operate this facility in conformance with any applicable control strategy, including any emission standards or emission limitations, in the State Implementation Plan in effect at the time that an application for this permit is submitted; or

f. Fails to comply with the applicable provisions of Articles 6, 8, and 9 of 9 VAC 5 Chapter 80.

(9 VAC 5-80-1010)

10. **Change of Ownership** - In the case of a transfer of ownership of a stationary source, the new owner shall abide by any current permit issued to the previous owner. The new owner shall notify the Director, Valley Region, of the change in ownership within 30 days of the transfer.
(9 VAC 5-80-940)

11. **Permit Copy** - The permittee shall keep a copy of this permit on the premises of the facility to which it applies.
(9 VAC 5-80-860 D)